GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Chit Fund Act, 1982 – Appeal Petition filed by Sri Ravuri Kasi Ranga Sudhakar Rao and four others against the Award passed in Dispute No.60/2018 dated 12.02.2019 by the Deputy Registrar of Chits, Ongole, Prakasam District – Orders – Issued.

REVENUE (REGN.II) DEPARTMENT

G.O.RT.No. 671 Dated: 13-06-2019

Read the following:-

1. Appeal Petition filed by Sri Ravuri Kasi Ranga Sudhakar Rao and four others, dated 29.04.2019.
2. Govt. Letter No.REGSOACTS (CHITS)/17/2019, dated: 14.05.2019.

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ORDER:-

Sri Ravuri Kasi Ranga Sudhakar Rao and four others have filed an Appeal Petition under Section 70 of the Chit Fund Act, 1982 against the Award in Dispute No.60/2018 dated 12.02.2019 by the Deputy Registrar of Chits, Ongole, Prakasam District.

2. Brief facts of the case is as follows:-

(i) The appellant herein has joined the Chit Fund Company as a subscriber in a Chit Group No.05 of 2015 for a value of Rs.10,00,000/- which is payable at the rate of Rs.20,000/- per month for a period of 50 months and the appellant herein has participated in the chit auction held on 31.01.2015 and became successful bidder having agreed to forego an amount of Rs.4,00,000/- out of chit value of Rs.10,00,000/- and after declaring as successful bidder, the appellant submitted 2 to 5 as guarantors, who executed an agreement of guarantee and also executed demand promissory note and other necessary documents in favour of Respondent No.1 (Chit Fund Company) and the company has paid the prize amount to the appellant. The appellant paid only 25 installments and thereafter committed default in paying the 26th installment i.e., from 10.02.2017 onwards. The 1st respondent herein has issued a demand legal notice dated 22.08.2017 to all the opponents through their advocate. As there is no reply, the 1st respondent filed a dispute application before the Deputy Registrar of Chits, Ongole, Prakasam District and the same was numbered as Dispute petition No.60 of 2018. The Deputy Registrar of Chits, Ongole, Prakasam District sent notices to 1-5 respondents herein to appear before the Arbitrator/Dy. Registrar of Chits. The appellant herein and four others were served with notices, no representation, set exparte on 28.09.2018. The Deputy Registrar of Chits, Ongole, Prakasam District passed award in Dispute No.60 of 2018, dated:12.02.2019 in favour of the Respondent No.1 herein ordering that the company is entitled to recover a sum of Rs. 5,96,068/-(Rupees five lakhs ninety six thousand and sixty eighty only) from opponents 1 to 5 together with interest at the rate of 18% per annum on the principal amount of Rs.4,82,242/- from the date of filing of claim petition i.e., 25.05.2018 to till the date of realization and also Rs.13,120/- towards costs of the dispute.

(ii) Aggrieved by the above said award, the appellant filed the present appeal.

3. The case is posted for hearing on 10.06.2019 at 11.00 a.m. The Counsel for the Appellant and the Counsel for Respondent (Chit Fund Company) attended. Heard both the parties.

(P.T.O)

4. Government after careful examination of the material available on record, allowed the appeal and the order passed by the Deputy Registrar of Chits, Ongole, Prakasam District is hereby modified. The appellants herein who are the Opponents No.1 to 5, in Dispute No. 60 of 2018, dated: 12.02.2019 on the file of Deputy Registrar of Chits, Ongole, Prakasam District are hereby directed to pay the Award amount of Rs.4,88,328/- (Rupees Four lakhs eighty eight thousand three hundred and twenty eight only) as mutually agreed by both the parties after reducing an amount of Rs.1,07,740/- within 3 months i.e., by 13.09.2019. In default, the Respondent No.1 (Chit Fund Company) who is the disputant in Dispute No. 60 of 2018 is at liberty to proceed as per Chit Fund Act,1982 to recover the award amount as decreed by Deputy Registrar of Chits, Ongole, Prakasam District in Dispute No. 60 of 2018 after13.09.2019 from the opponents.

5. In exercise of the powers conferred under section 70 of the Chit Fund Act, 1982, the Government is hereby allowed the appeal of the appellant being common understanding of both the parties and disposed of accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT

1. The Dy. Registrar of Chits, Ongole, Prakasam District.
2. Sri Ravuri Kasi Ranga Sudhakar Rao, S/o. Somaiah, Occ: SVKP Polytechnic College, Cumbum R/o. D.No. 7-32(B1), Venkateswara Mahal Centre,Cumbum, Prakasham District through Dy. Registrar of Chits, Ongole at Prakasam District.
3. Sri Dema Venkata Ramana, S/o. Papaiah, Occ: A.R. Conistable, ID No. 2160 S.P. Ongole D.No. E/33, A.R. Police Quarters, Kurnool Road, Ongole, Prakasham District through Dy. Registrar of Chits, Ongole, Prakasam District.
4. Sri Cherukuri Madhu Sudhan Rao,S/o. Narasimham, Occ: A.R. Conistable, ID No. 2070,Ongole, R/o. D.No. 1-58-101, 1st Line, Indurthi Nagar,Ongole, Prakasham District through Dy. Registrar of Chits, Ongole, Prakasam District.
5. Sri Yegitila Ram Prasad,S/o. Pedda Ramaiah,Occ: A.R. Conistable ID No. 2061 R/o. D. No. 9-146 Akaveedu, Racharla, Prakasham District through Dy. Registrar of Chits, Ongole, Prakasam District.
6. Smt.Chegu Sudha Rani, W/o. Ravuri Kasi Ranga Ramesh Babu, Occ: S.G.T. Teacher, Pothuraju, Arthaveedu R/o. D.No. 19-64B, Ramalayam Street, Cumbum, Prakasham District through Dy. Registrar of Chits, Ongole, Prakasam District
7. M/s Kapil Chits(KOSTA) Pvt. Limited, Ongole Branch through Dy. Registrar of Chits, Ongole, Prakasam District
8. Sri G.Kamalakar Rao, Advocate, H.No.26-19-66,Old 2nd line, A.T.Agraharam, near Indira Gandhi Statue, Guntur through the Dy. Registrar of Chits, Ongole, Prakasam District

Copy to :

1 The Commissioner & Inspector General, R&S, A.P., Vijayawada.
2. The P.S. to Spl.C.S. to Govt., Revenue (Regn.) Deptartment.

//FORWARDED:BYORDER//

SECTION OFFICER